

# Overview of Northeast State Low Emission Vehicle Programs

Environmental Review Commission  
North Carolina General Assembly  
*Raleigh, North Carolina*  
February 14, 2006

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# About NESCAUM

- Northeast States For Coordinated Air Use Management formed in 1967 by the region's Governors.
- Nonprofit association of air pollution control agencies in the 6 New England States, New York & New Jersey.
- Provide technical assistance and policy guidance to member states on air pollution issues of regional concern.



## LEV Overview

- Section 209 of Clean Air Act allows CA special dispensation to regulate vehicles; other states pre-empted.
- Section 177 lets other states copy CA.
- How: Implementation issues surmountable.
- Why: Greater emission reductions; consumer benefits.
- Seven NESCAUM states have adopted.



## LEV Implementation Dates

- **MA**, **NY**, and **VT** have had the LEV program since the 1990's; will have the ZEV mandate in place for MY 2007.
- **ME** has had LEV in place since 2001 without ZEV; has just adopted ZEV effective MY 2009.
- **RI** and **CT** will have LEV/ZEV in place for MY 2008.
- **NJ** expected to have LEV/ZEV in place for MY 2009.
- All states will have ZEV in place by 2009.



## State Authority to Adopt LEV

- **NY, VT** have broad authority; did not require legislation to adopt LEV.
- **MA, ME** passed legislation requiring state to adopt LEV.
- **CT** has legislation requiring state to adopt LEV and to maintain the same schedule as CA.
- **NJ** has legislation requiring state to adopt LEV.
- **RI** adopted via Executive Order; did not require legislation.
- Some states choose legislative approach even when not strictly required.

## Zero Emission Vehicle Flexibility

- Manufacturers can comply with ZEV mandate exactly as they do in CA.
- But, Northeast states also give automakers more flexibility (as requested by the manufacturers).
- Two flexibility programs:
  - Alternative Compliance Plan (ACP) – “Ramp up”
  - Proportional Credits – “Bank” of credits; same %’s
- **NY**, **MA**, & **VT** use ACP.
- **CT**, **RI**, **ME**, and **NJ** will use proportional credits.

# Alternative Compliance Plan

- Manufacturers have been allowed to bank credits beginning in 2002.
- A credit multiplier (extra credit) is applied to all advanced technology vehicles through 2008.
- The programs will be equivalent to CA in 2009 in terms of percentage requirements.
- In New York, 6 of 7 manufacturers chose the alternative compliance plan.



# Proportional Credits

- In NJ, CT, RI, and ME the states are providing manufacturers with a credit bank as a gradual ramp-up to the full ZEV mandate.
- Manufacturers are given a bank of credit calculated on the amount of credit banked in California.
- A ratio of sales in CA and in NJ, CT, RI, and ME is used to calculate actual credits.



# Enforcement of the Standards

- A number of states have provided flexibility to manufacturers in meeting the fleet emissions standards (NMOG).
- A three year grace period for meeting the fleet average standard has been typical.
- All states in the region will enforce the fleet average by 2010.
- A regional enforcement program is being considered.

## LEV Incentives

- **MA, VT:** None
- **NY:** Up to \$5,000 rebate for pure electric vehicles.  
Lower sales tax for pure electrics & hybrids.  
Proposed budget has \$2,000 tax credit for hybrids.
- **ME** – Lower sales tax for hybrids and clean fuel.
- **NJ** – No sales tax for pure electric vehicles
- **CT** – None now; some for alternative fueled.
- **CA** – State & some cities offer various incentives.

## Other Program Aspects of LEV

- **Enforcement** – Most states use registration denial as enforcement mechanism.
- **NMOG Curve** – States discussing possible regional NMOG curve for all Northeast states to replace the NMOG curve requirement in each state.
- **Warranty** – Most states use CA's warranty, often incorporated by reference.
- **Certification** – Most states use CARB executive orders, some incorporated by reference.



# LEV Benefits in the Northeast 2010 - 2025

Year	NOx Benefit*	VOC Benefit*	Region-wide NOx +VOC tons per day
2010	0.5%	3.0%	37
2015	3.9%	7.5%	45
2020	9.1%	11.6%	50
2025	13.2%	14.3%	56

A reasonable assessment:

*Post-2010 changes to CA LEV could increase its stringency, whereas Tier 2 not likely to change soon.*

\* Representative of states that adopted in 2004 or 2005



## Cost History - Auto Emission Controls (incremental per vehicle)

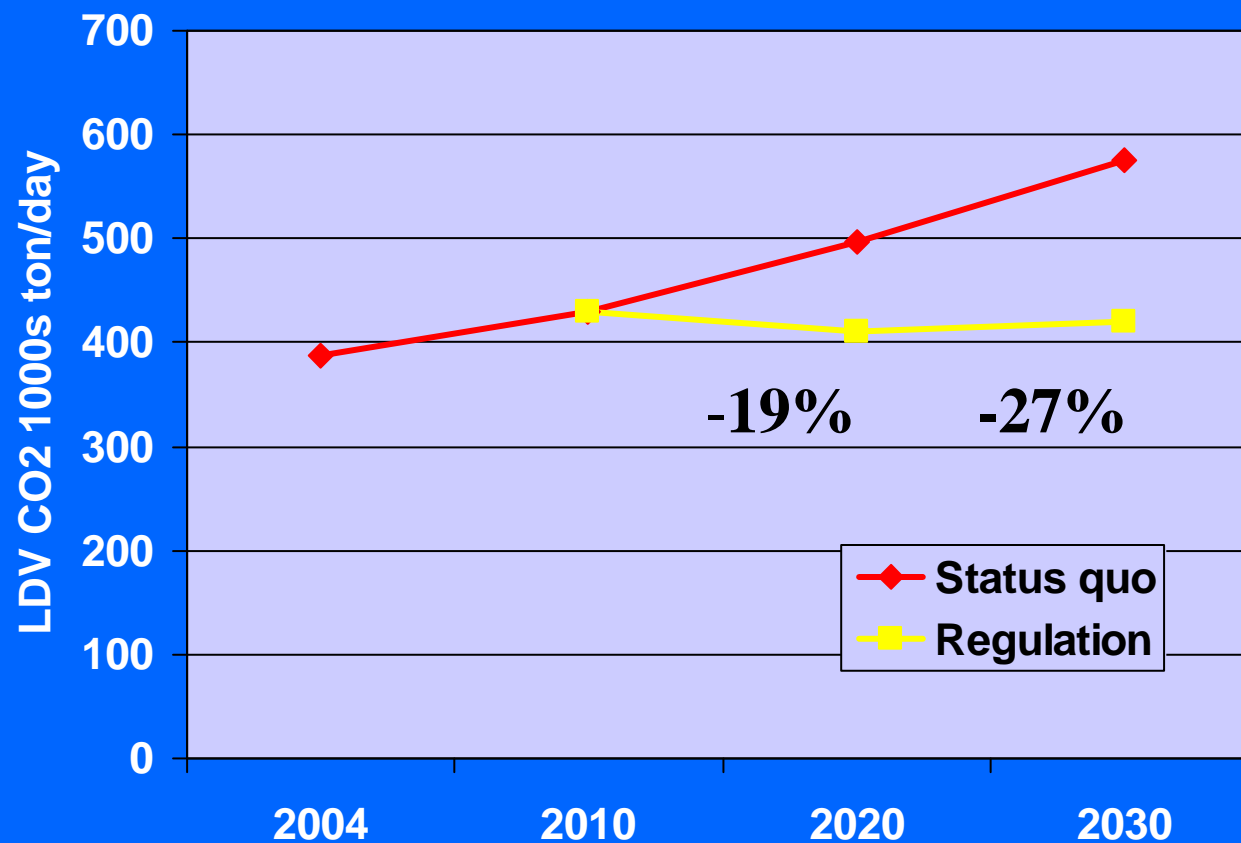
Class	CARB '94	AAMA '94	Actual
TLEV	\$72	\$298-487	\$35
LEV	\$120	\$911-1343	\$83
ULEV	\$227	\$1666-4005	\$251

## Northeast LEV Provides GHG Reductions

- NESCAUM Study: GHG reductions of 12-54% possible.
- 25% reduction achievable with current & near-term technologies.
- 54% reduction achievable with advanced technologies.
- Reductions up to 47% achievable with cost *savings* to consumers (even at \$1.58 per gallon).



# Regulation Reduces Greenhouse Gas Emissions



# Net Savings for Vehicle Purchaser

	Near Term (2012)	Mid Term (2016)
Monthly Payment Increase	\$7	\$20
Monthly Operating Cost Savings	\$18	\$23
<b>Monthly Net Savings</b>	<b>\$11</b>	<b>\$3</b>



# Northeast LEV Future

- In 2009 the LEV program will be implemented in the seven NESCAUM LEV states.
- This includes: ZEV requirement, GHG standards, NMOG requirements.
- All seven states will require the same percentages of advanced technology vehicles as CA.
- A regional NMOG curve may be implemented in that year.



***Thank you  
for your time  
and attention!***

